



GLOBAL PARTNERSHIP *for* EDUCATION

ASA&KIX Market Analysis: Private Foundations

Strategy and Impact Committee
September 26-27, 2017 | Copenhagen
SIC/2017/09 DOC 04

Introduction

Purpose

- The purpose of this analysis is to conduct a preliminary scan of overall trends in the Private Foundation landscape to guide early design decisions for KIX and ASA. This is not intended to be a complete analysis of philanthropic funding trends in Global Education nor is it meant to be a detailed review of how to secure funds from specific donors. Rather it is meant to provide some high level input on select Foundation's priorities and strategies
- Note, this is primarily concerned with private foundations; we will present analysis on bilateral and private sector donors in October

Approach

- We have compiled some high level trends on overall funding for global education by foundations
- Based on an initial scan of the overall philanthropic landscape, we identified a set of 10 Foundations that have some degree of strategic alignment with GPE priorities and a demonstrated commitment to continued work in Global Education
- We conducted a set of interviews with representatives from each of these Foundations, supplemented with publicly available documentation that outlines these organization's priorities



Draft Principles for Foundation engagement (1/2)

The GPE PF Constituency co-constructed a set of principles for collaborating with GPE. (NOTE: These go beyond engagement in ASA and KIX)

- The principal objective of collaboration between the GPE and Private Foundations are **strategic partnerships aimed to deploy each groups' strengths and assets** in support of SDG4 goals of inclusive, equitable, quality education for all by 2030.
 - Philanthropic collaboration with GPE stakeholders will occur at global level and through multi-year national programs.
 - Engagement with GPE will be enhanced using a variety of Foundation tools including technical expertise, convening, grants, program-related investments, and training and support of GPE's three strategic goals.
 - Foundations and GPE will initiate and consolidate technical partnerships across GPE's thematic focus areas.
- Private Foundations will be leveraged to **deploy their assets, skills, and networks to advance and strengthen GPE's operating model, while enhancing mutual potential for collective impact.**
 - Coordinated high-profile advocacy and media campaigns will lead a larger collective impact.
 - Forging innovation partnerships will create new resources that magnify corporate benefits to GPE partner countries.
 - Appropriate government policies and incentives will encourage the growth of indigenous philanthropy that can connect through LEGs and the Private Foundation constituency.



Draft Principles for Foundation engagement (2/2)

- Collaboration between GPE and Private Foundations will **strengthen and expand dialogue among relevant actors in support of an alignment with global goals and national education sector plans.**
 - Governments, donors, civil society and foundations will engage in multi-level, multi-stakeholder dialogue to support national education sector plans.
 - Inclusive and systemic dialogue will be sought in policy-setting processes, the development of frameworks, and local and national dialogue on innovation while giving ownership to local actors to address policy challenges.
- Collaboration between GPE and Private Foundations aims to **strengthen mutual knowledge sharing and accountability by informing work with good practice, and raising awareness of technical and policy opportunities.**
 - Foundations will contribute to problem analysis, fund research, invest social, political and financial capital in pilot initiatives and help build collaboration between and across sectors.



Key findings (1/2)

How foundations are funding global education: Foundations make significant financial and non-financial contributions to education

- **Education**, and **government and civil society** are top priority areas for foundations
- Foundation spending is small relative to other funders, but their **convening power and influence has potential to create outsized impact**. Beyond a funding relationship, GPE can work with private foundations to **engage with new types of partners and to amplify GPE's broader efforts to influence senior level decision makers** – public and private – on the importance of quality education for all

How foundations are funding global education: Funding arrangements with foundations require tailored incentives

- Attracting foundations into **pooled funding structures requires efficiency, leverage, and room for co-creation**. Many multilateral and multi-stakeholder partnerships have some advisory body that allows for funders and experts to co-construct activities
- Alternative funding modalities – such as **co-financing and matching** – leverage similar **collaboration** with foundations with **less technical complexity**; however, they require continued coordination



Key findings (2/2)

How foundations and GPE might collaborate: Current investments and potential interest point to opportunities for collaborating with Foundations on KIX and ASA

- An initial scan of the philanthropic landscape reveals **several Foundations with potential strategic alignment with KIX or ASA**, including Caterpillar, ClIFF, Hewlett, Lego, MasterCard, Omidyar, Open Society, and Rockefeller
- Generally, foundations demonstrated **interest in the new mechanisms**, and GPE's unique position presents an **opportunity for them to support work beyond their current remits**

The recently approved Contributions and Safeguards Policy needs to be reviewed in light of funding constraints that Foundations might face

- Historically, agreements with private foundations have allowed for **financing at the activity level**; it will be important to reflect on this in light of the newly approved Contributions and Safeguards Policy
- Many foundation **funders expect co-construction**, and will want supplemental agreements or MOUs that indicate how their funding will be spent at the activity level
- Moving forward, the **CSP guidelines will alter the way foundations have previously contributed to GPE** and could affect their willingness to finance these mechanisms. Likewise, it may be challenging for some foundations to contribute to the mechanism at the mechanism or policy theme level given their own **legal and internal operating requirements**



Contents

1

How Foundations are funding global education

General

KIX

ASA

2

How Foundations and GPE might collaborate

3

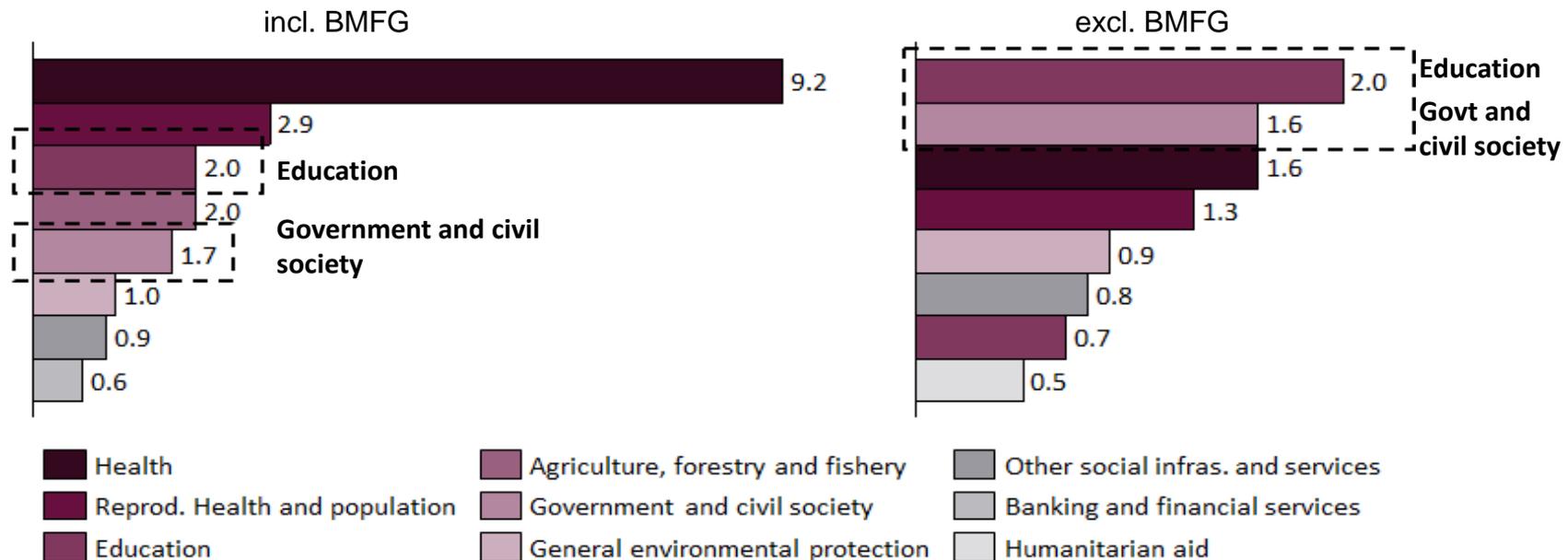
Considerations for Foundation financing



Overall, Education and Government and civil society are very popular sectors for global development philanthropy

After adjusting for Gates Foundation's global giving, Education and Government and Civil Society are the top sectors for Foundations engaged in global development:

Top 6 sectors, USD Billions, 2013-2015



There is a real opportunity for GPE to more effectively engage with the existing philanthropic spend on global education

Source: OECD, Global Private Philanthropy for Development, Results of OECD Data Survey as of 19 June 2017
http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/Flyer_update_June_2017.pdf

The landscape of private foundations supporting work in education is dynamic

- **There are a number of new entrants and new approaches:**
 - Chan Zuckerberg Initiative is supporting innovations and impact investing in global education
 - Google.org launched a \$50M initiative for innovative global education non-profits in 2016
 - More generally, contributions from foundations and high net worth individuals has been growing in the BRIC countries (e.g. Yidan Prize in Hong Kong, Azim Premji from India)
- **Meanwhile, other foundations are winding down their funding:**
 - CIFF is no longer pursuing new funding opportunities related directly to Education
 - MacArthur Foundation is winding down its focus on Girls Education in developing countries
 - In a recent study commissioned by the Education Commission, 2 of the top US-based Foundations that fund global education anticipated that their overall funding will decrease

GPE will have to position itself to be relevant to these newer entrants, and ready for the increased competition for funding that will result as some key Foundations step away

Sources: Interviews with private foundations; foundation websites; Education Commission, Priorities and Strategies of US-based Funders Supporting Global Education; <http://report.educationcommission.org/resources/>



Overall, Foundations see their role as filling specific gaps rather than tackling bigger picture issues in global education

Some foundations hesitate to engage at a systems-level; concrete intervention options may help

“Grantmakers tend to stay away from addressing broader issues in education because the feeling is that it’s just a drop in the bucket of how much money is needed to make real change. It’s also hard to do if you don’t have capacity on the ground which many U.S.-based foundations don’t have.”

- Respondent to Education Commission’s Survey of US Based Funders in Global Education

*“System strengthening remains a key area of interest to private philanthropies, but **concrete entry points for them at both global and national levels** to meaningfully engage in this process need to be explored with them in the forthcoming rounds of consultation.”*

- Excerpt from Memo from GPE Private Sector Consultancy to GPE Secretariat

However, many do see a relevant role in supporting catalytic research and influencing

*“It’s governmental funders that would have a better shot at the basic education system. Something that foundations could do is to provide the research support. [For example] foundations funded the research that led to the development of Head Start in the United States. **Research agendas around education [are] something foundations can do better than any other type of funder because of our independence.** Like the Head Start example, one can imagine foundations performing a similar research-support function in the Global South, BUT...governments either need to want the research or the funders better have a really strong advocacy plan in place to convince governments to seriously consider the findings.”*

- Respondent to Education Commission’s Survey of US Based Funders in Global Education

*“One of the values of the philanthropic base is that **we can support and elevate certain types of work and bring it to the attention of organizations like USAID to try and influence** how they’re thinking about their work.”*

- Respondent to Education Commission’s Survey of US Based Funders in Global Education

KIX and ASA could be positioned as effective concrete entry point for engaging in broader system-level impact

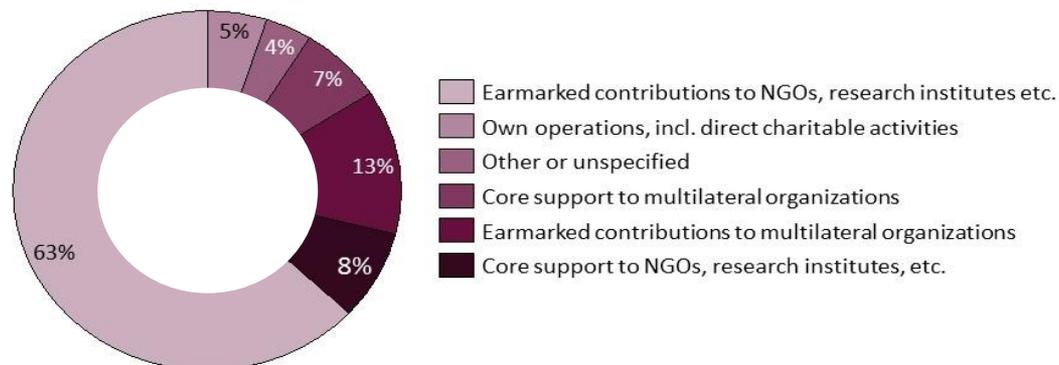
Sources: Education Commission, Priorities and Strategies of US-based Funders Supporting Global Education; <http://report.educationcommission.org/resources/>; J. Harrand, on Behalf of GPE Private Foundation Constituency; Memo 14-06-2017 PF02_2017 - Emerging Guidance to GPE: Results of Survey on Proposed Principles of Engagement for Foundations/Philanthropic Entities



Philanthropic contributions to multilaterals are relatively small, but can be highly strategic; foundations contribute 2% of the World Bank's total budget between 2008 and 2013

Foundations engaged in Global Development direct ~20% via Multilateral Organizations

Channels of Delivery and Modality of Philanthropic Giving



Foundation contributions tend to comprise relatively smaller share of institutional budgets, but are seen as unlocking broader strategic value

- **UNICEF** Received **\$171M** in contributions from foundations in 2016, with the largest contributors being: BMGF (\$100M+); National philanthropic Trust (\$50M+); Education Above All – Educate a Child (\$10M+); Margaret A. Cargill Foundation (\$5M+); Conrad Hilton Foundation (\$5M+); Hewlett Foundation (\$500K+)
- **UNHCR** Received **\$249M** from private donors in 2016 with the largest contributor being IKEA foundation (\$32M)
- **The World Bank Group** Reports that Foundations contributed **\$1B**, equivalent to 2% of total budget, to Multi Donor Trust Funds between FY08 and FY13

Sources: OECD, Global Private Philanthropy for Development, Results of OECD Data Survey as of 19 June 2017; World Bank "Foundations Bring Philanthropy, Know-How, Vision" <http://www.worldbank.org/en/news/feature/2013/05/28/foundations-bring-philanthropy-know-how-vision>; UNICEF "Foundation Partners" <https://www.unicefusa.org/supporters/organizations/foundations>; UNHCR: <http://www.unhcr.org/en-us/partners/donors/575e771a4/contributions-unhcr-budget-2016-breakdown-country-non-governmental-organizations.html>

Foundation spending is small relative to bilateral funders, but their convening power and influence has potential to create outsized impact

Examples of this include:

Children's Investment Fund Foundation

- Convene events and workshops to disseminate its political analysis and offer capacity building for many groups to support their own understanding of the relevant policies

LEGO Foundation

- Developed an evidence base on learning through play and generated spinoff effects through annual conferences

WISE

- Facilitate high profile events that generate influence on senior level policy makers and funders alike

Beyond a funding relationship, GPE can work with private foundations to engage with new types of partners and to amplify GPE's broader efforts to influence decision makers – public and private – on the importance of quality education for all

Sources: Interviews with private foundations; Lego Foundation website; WISE website



Attracting foundations into pooled funding structures requires efficiency, leverage, and room for co-creation

There are examples of Foundations contributing to pooled funding modalities to support relevant knowledge and innovation efforts

Global Innovation Fund

- Received ~\$200M from investors, including Omidyar Network

World Bank Early Learning Partnership (Phase 2)

- Have leverage \$60M+ from bilateral donors and foundations
- Received ~\$24M multi-year grant from CIFF (2015-19)
- Part of the funding for the program will go to the Strategic Impact Evaluation Fund (SIEF)

AgResults

- Gates Foundation – along with several government donors – collectively committed \$100M to establish AgResults
- Contributions are pooled in a Financial Intermediary Fund operated by the World Bank, which serves as trustee

Foundations are attracted to pooled structures with the following design features

Collaborative design and governance

- Allow foundations to co-create funding strategies (many multilateral and multi-stakeholder partnerships have an advisory body that allows for funders and experts to co-construct activities)
- Ability to design initiatives that bring actors together to tackle core policy challenges
- Active, on-going engagement in advisory or formal governance roles

Greater efficiency

- Minimized overhead ratios
- Ability to align on bold and ambitious output targets

Opportunity for leverage

- Opportunity to scale ideas they have developed an evidence base for (e.g., funds can further the life cycle of pilots foundations have kick-started)
- Pooled funds often attract foundations on the basis of “unlocking” additional funding that has matching requirements

Results sharing

- Timely reporting and very transparent accounts of progress

Sources: Interviews with private foundations; AgResults website:

http://agresults.org/uploads/files/pdf/About_Press_Kit_Approved_Communications_Documents_AgResults_Information_Sheet.pdf; CIFF website: <https://ciff.org/grant-portfolio/the-world-bank-early-learning-partnership-2-elp2/>; Omidyar website: <https://www.omidyar.com/blog/global-innovation-fund-pilot-test-scale>



GPE could also consider alternative funding modalities to collaborate with Foundations

Private foundations have funded with government entities using a variety of models:

Co-financing

Example

- **Grand Challenges Canada / Gates Foundation:** GCC co-funded initial deals with Gates and learned alongside them

Matching

Example

- **Investing in Innovation Fund (DOE):** Numerous participating foundations provide match funding to DOE grantees, including Gates, Ford, Hewlett, and Rockefeller

There are several considerations for GPE related to aligning funding in this manner:

- **Leverage synergies:** Generally speaking, these models allow for close collaboration between donors, as well as shared learnings (e.g., potential for the whole becomes greater than the sum of its parts)
- **Reduce technical complexity:** From a technical point of view, these models tend to use foundations' existing funding systems, and so are less technically complex in terms of the flow of finances; however, the coordination required to set them up can be significant
- **Rely on coordination:** As there is greater funder autonomy in these models, they rely on the continued coordination of donors to agree on a common solution and independently fund various components

Sources: Interviews with private foundations; Foundation Registry i3 website: <https://www.foundationregistryi3.org/about/foundations/> .



Contents

1

How Foundations are funding global education

General

KIX

ASA

2

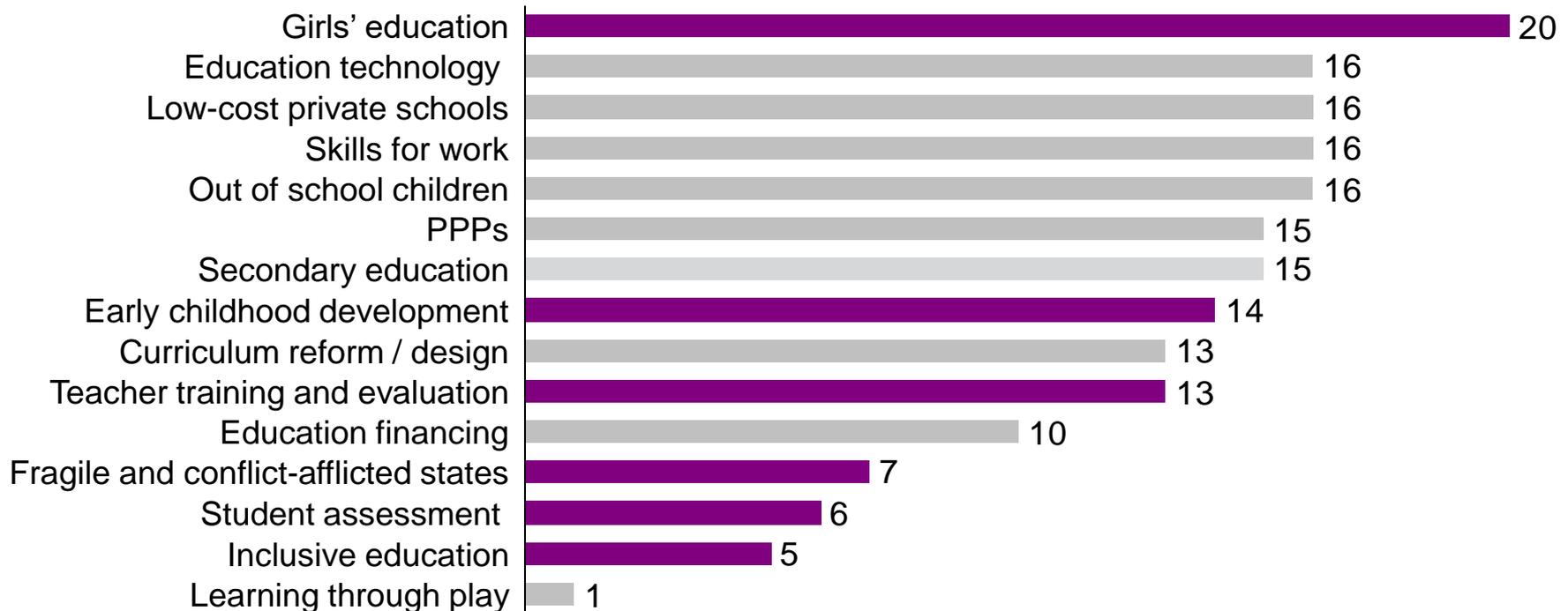
How Foundations and GPE might collaborate

3

Considerations for Foundation financing



As a group, funders supporting education innovation demonstrate some overlap with the 10 policy themes approved under KGPE

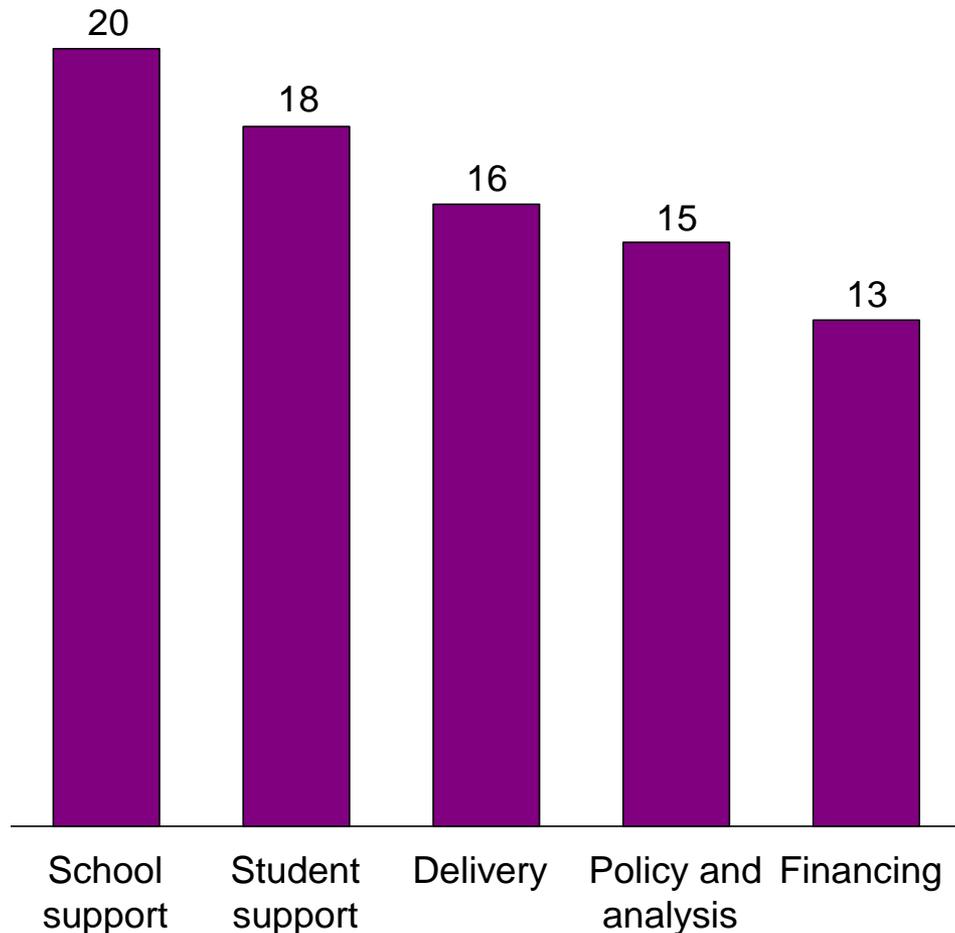


Priority areas of overlap for between GPE's 10 policy themes and private foundations funding within education innovation include: Girls' education, early childhood development, teacher training and evaluation, fragile and conflict-afflicted states, student assessment, and inclusive education

Sources: Based on R4D's available Center for Education Innovations funder directory data for private foundations (sample: 33)



Services and products that increase school efficiency / effectiveness and student access are key priority areas of innovation



The Center for Education categorizes innovation programs by approach:

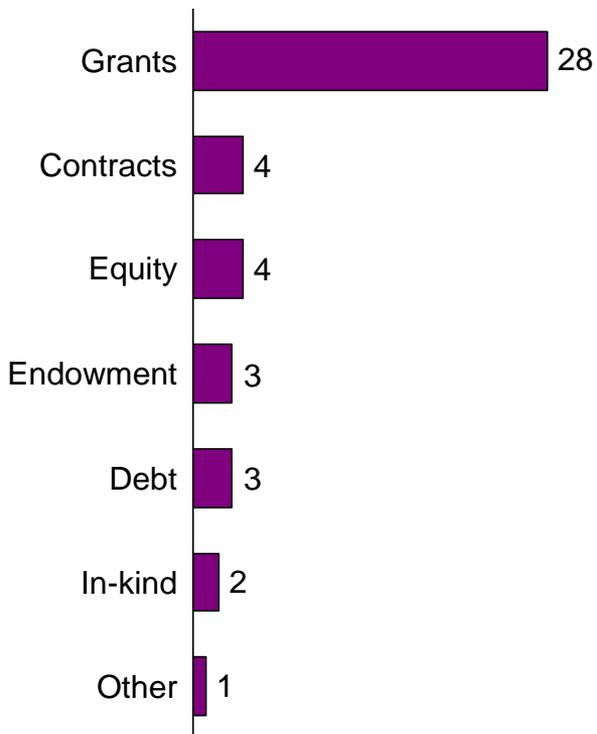
- **School support:** Services or products enabling schools to increase efficiency and effectiveness
- **Student support:** Services or products increasing access to quality learning experiences
- **Delivery:** Direct provision of education or training to students
- **Policy and analysis:** Improving the policy environment and building the education evidence base
- **Financing:** Mechanisms that finance students, schools, teachers, or systems

Sources: Based on R4D's available Center for Education Innovations funder directory data for private foundations (sample: 33)

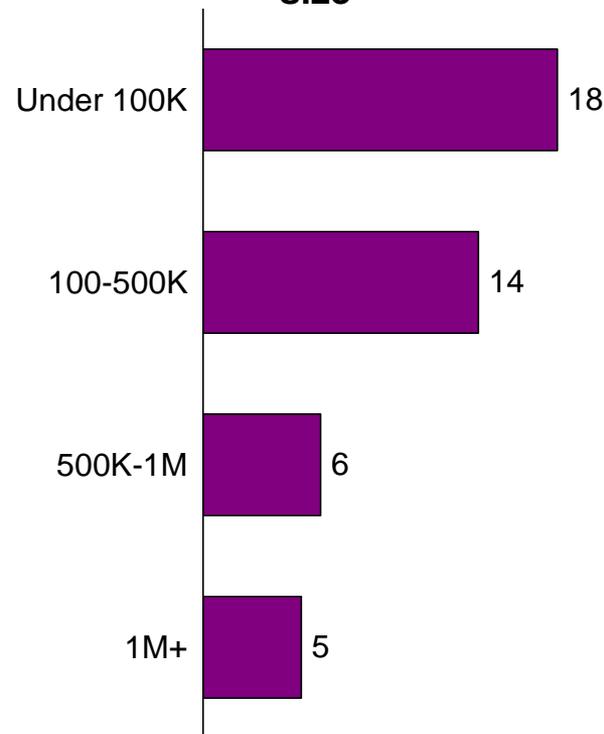


Foundation funding for innovation in Education is often distributed via small grants with a short investment period

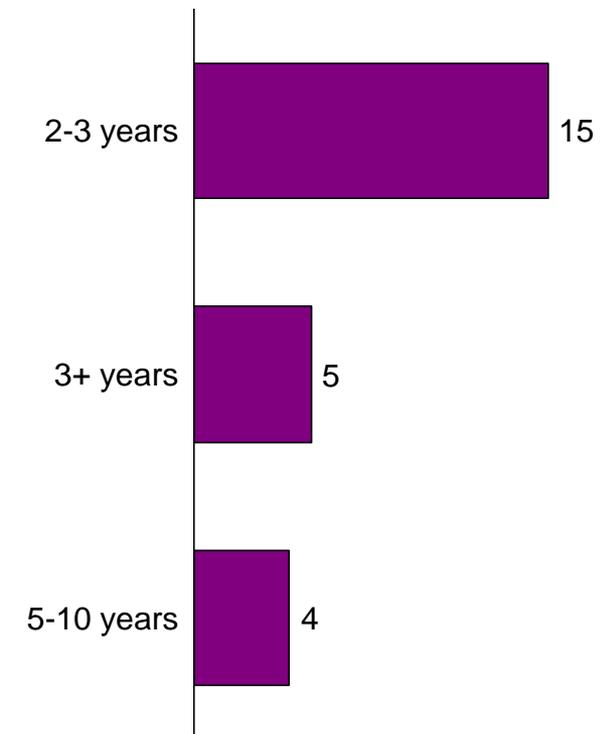
Primary funding mechanism



Range of typical investment size



Typical length of investment



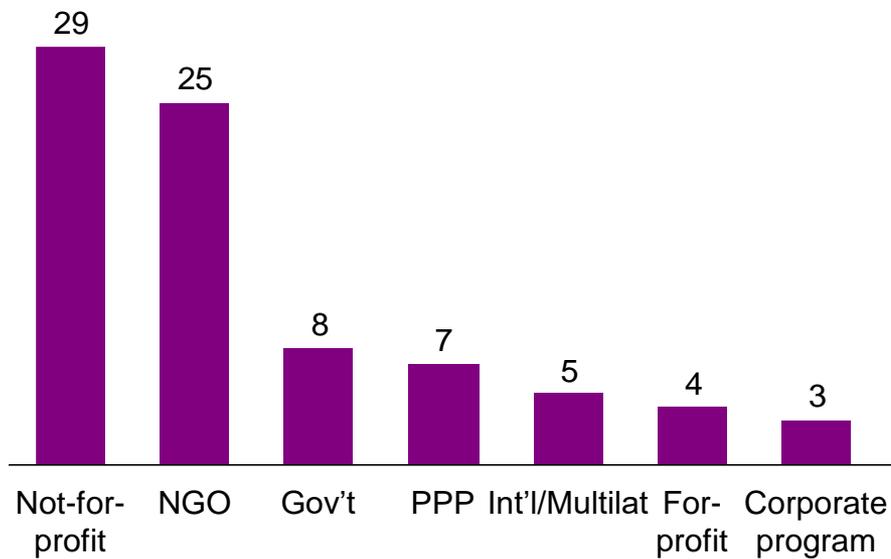
There is a real opportunity for GPE to more effectively engage with the existing philanthropic spend on global education

Sources: Based on R4D's available Center for Education Innovations funder directory data for private foundations (sample: 33)

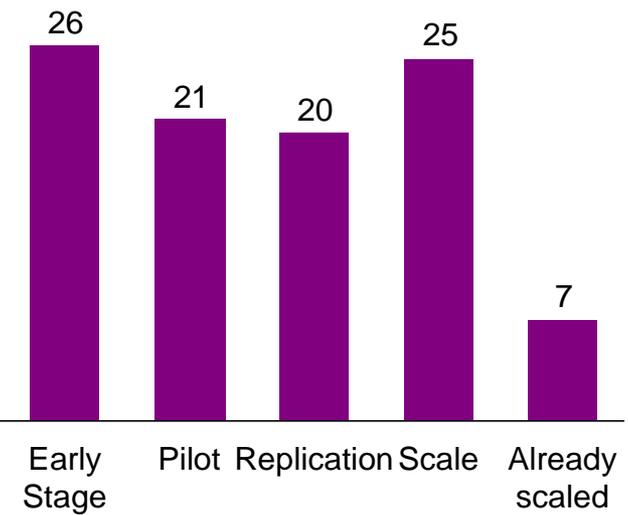


Within innovation, foundations focus on funding not-for-profits and NGOs across the innovation life cycle

Typical legal status of supported projects



Typical stage of supported projects



Sources: Based on R4D's available Center for Education Innovations funder directory data for private foundations (sample: 33)



Contents

1

How Foundations are funding global education

General

KIX

ASA

2

How Foundations and GPE might collaborate

3

Considerations for Foundation financing



In 2014, foundations allocated \$2.7 billion in support of human rights, which encompasses advocacy and social accountability funding

Leading Foundations by Human Rights Grant Dollars, 2014

| | Foundation name | USD Millions | | Foundation name | USD Millions |
|----|-----------------------------------|--------------|----|---------------------------------------|--------------|
| 1 | Nationale Postcode Lottery | 291.8 | 11 | NoVo Foundation | 76.1 |
| 2 | Ford Foundation | 211.1 | 12 | Foundation For the Carolinas | 72.5 |
| 3 | Atlantic Philanthropies | 197.0 | 13 | Comic Relief | 70.4 |
| 4 | Open Society Foundations | 137.8 | 14 | W. K. Kellogg Foundation | 62.2 |
| 5 | California Endowment | 124.1 | 15 | Vanguard Charitable Endowment Program | 60.9 |
| 6 | National Endowment for Democracy | 101.6 | 16 | William and Flora Hewlett Foundation | 42.2 |
| 7 | EEA and Norway Grants | 99.6 | 17 | American Jewish World Service | 35.7 |
| 8 | Bill and Melinda Gates Foundation | 90.9 | 18 | Hivos | 32.0 |
| 9 | Susan Thompson Buffett Foundation | 80.4 | 19 | JPB Foundation | 31.4 |
| 10 | Oak Foundation | 77.1 | 20 | Sigrid Rausing Trust | 28.7 |

The 20 largest funders of human rights by grant dollars – six of which are located outside North America – represented 66 percent of total funding

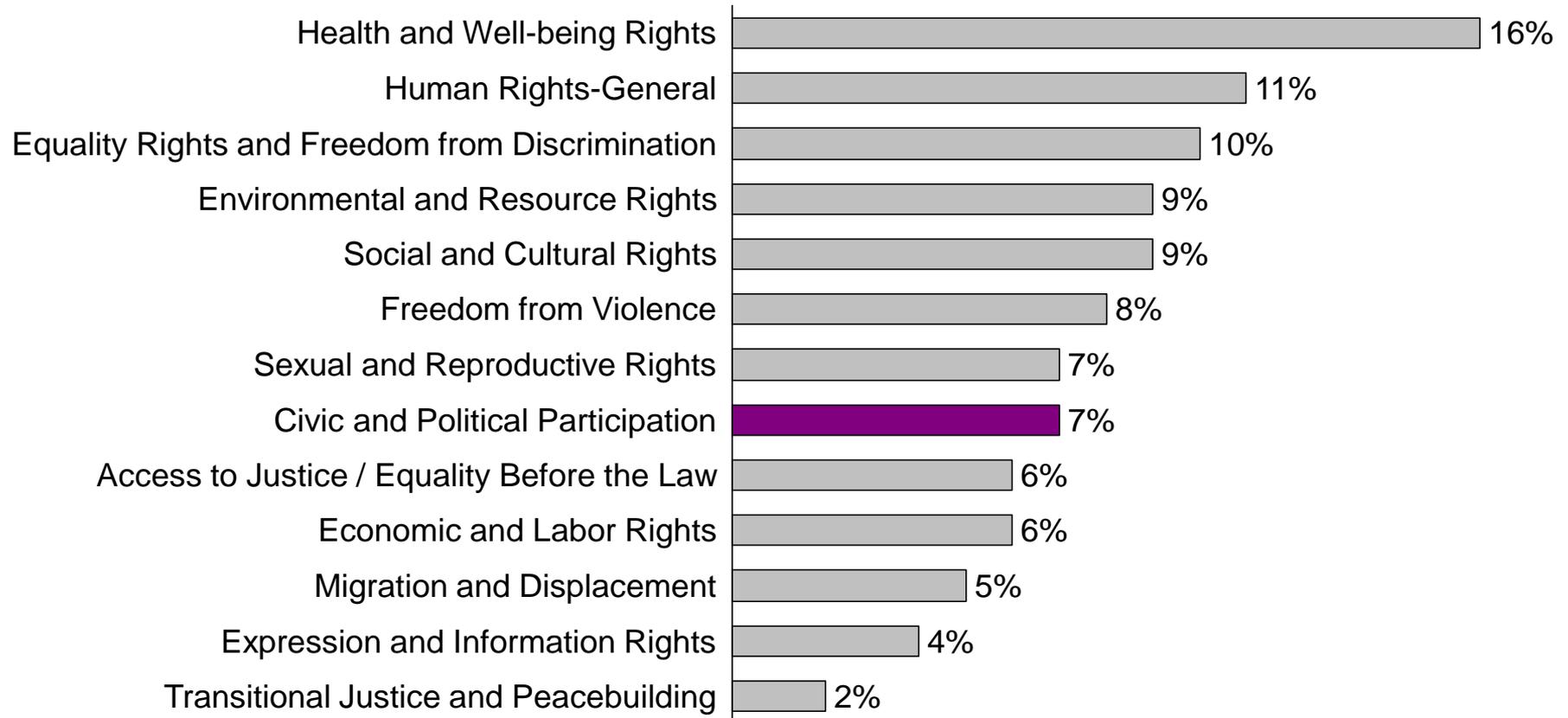
Source: Foundation Center / International Human Rights Funders Group, 2017, Advancing Human Rights: Update on Global Foundation Grantmaking (includes data on 729 foundations)

Note: Foundations on our list for interview are highlighted



7 percent of foundation funding for human rights was invested in Civic and Political Participation

Foundation Funding for Human Rights by Issue Area, 2014



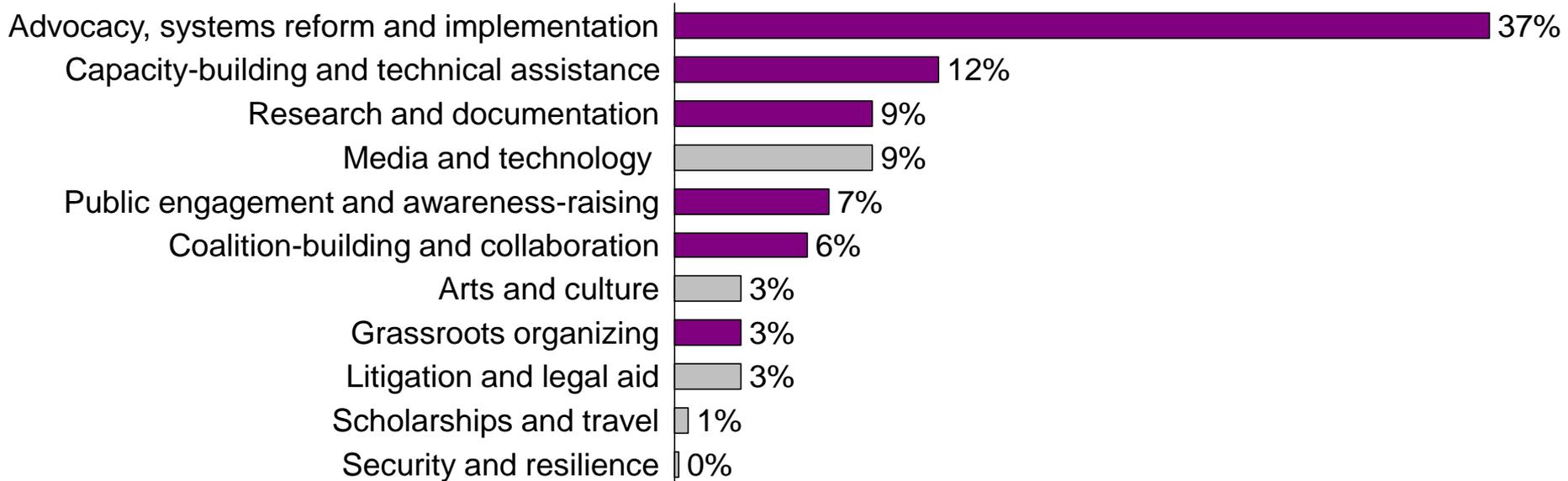
Source: Foundation Center / International Human Rights Funders Group, 2017, Advancing Human Rights: Update on Global Foundation Grantmaking (includes data on 729 foundations)

Note: Foundations on our list for interview are highlighted



Many of the strategies supported by human rights funding align with the ASA mechanism's activities

Foundation Funding for Human Rights by Strategy Supported, 2014



- **Advocacy, systems reform and implementation** examples include grants to promote Global South voices in international institutions and to support policy advocacy and donor engagement around healthcare reform and implementation
- **Research and documentation** grantmaking included support for research on accountability in natural resource governance in developing countries

Source: Foundation Center / International Human Rights Funders Group, 2017, Advancing Human Rights: Update on Global Foundation Grantmaking (includes data on 729 foundations)

Note: Foundations on our list for interview are highlighted



Contents

1

How Foundations are funding global education

2

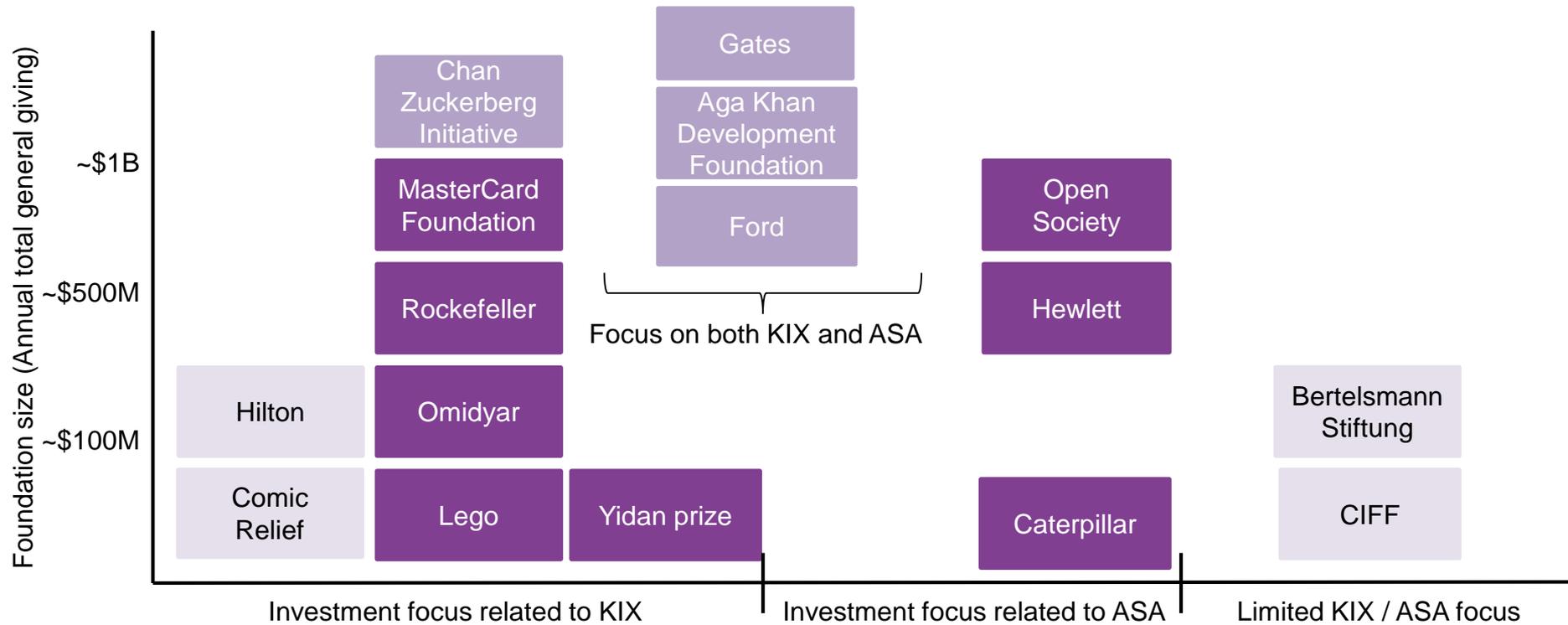
How Foundations and GPE might collaborate (KIX and ASA)

3

Considerations for Foundation financing



An initial scan of the philanthropic landscape reveals several Foundations with potential strategic alignment with KIX or ASA



Alignment with GPE's priorities:



A range of private foundations fund work related to KIX and ASA – several of whom are also aligned with GPE's focus on global education challenges

Sources: Interview with private foundations; Foundation Center's directory; foundation websites

Notes: Based on available data on foundations scheduled for interviews; GPE's priorities are interpreted to broadly include global education and related civil society work
 TO BE UPDATED WITH ASIAN FOUNDATIONS PENDING ADDITIONAL DESK RESEARCH



Foundations indicate key funding trends that are in line with GPE's policy themes

Trends in thematic areas include:

- Portfolios are transitioning to be more SDG relevant
- Equity and inclusion work is increasing (e.g., disability)
- Refugees and emergencies continue to grow as interest areas
- Early Childhood Education
- Teaching and Learning
- The girls' education space is becoming increasingly crowded and foundations are looking for comparative edge
- Increasing the quantity and quality of Global Education Data is increasingly gaining attention from Technology-Oriented funders, the key however, is finding fundable opportunities to translate data applications into actual use

Sources: Interviews with private foundations and GPE PF Constituency Emerging Guidance to GPE Principles of Engagement for Foundations/Philanthropic Entities (April 2017)



Foundations outlined a number of trends and considerations related to supporting advocacy and social accountability

Movement toward multi-sector / multi-theme grants:

- Increasingly looking at trying to be more intentional about cross-cutting grants, especially when the targets for advocacy at the country-level are the same

Global and country level funding:

- Need to work at the global level to maintain funding, but moving toward more intentionally working at the country-level
- Investing more in developing countries may mean working less with INGOs
- PF constituency states desire to contribute to global advocacy on education and align funding with national education sector plan priorities or gaps - and see GPE as a critical broker

Linkages to programmatic investments:

- Ensure advocacy investments are linked to programmatic investments being made in a specific country

Regional and topical focus areas:

- Some foundations' advocacy focus within education is isolated in a specific region (e.g., East Africa), or focused on a niche area (e.g., girls' education)
- The PF constituency indicated that targeted advocacy and national or global level on including refugees/displaced populations in national education systems

Close-knit, collaborative community with flexible resources:

- Foundation funders within advocacy have flexible resources, which can be used to signal opportunities for larger funders to join

Uniquely political context:

- Funding civil society can be sensitive, insofar as this is seen as supporting the “challengers”
- Some multilaterals get around this by working with governments rather than civil society

Sources: Interviews with private foundations and GPE PF Constituency Emerging Guidance to GPE Principles of Engagement for Foundations/Philanthropic Entities (April 2017)

Funders support a range of actors and functions that could potentially align with KIX and ASA (1/3)

Private foundations have a range of interest areas. While not comprehensive views of each foundation, a number of these interests are captured below:

Open Society

- Works with **governments and businesses to advance transparency, rule of law, and good governance** around the world

BMGF

- Engages in **advocacy efforts to promote public policies** that advance the foundation's work, build strategic alliances with governments and the public and private sectors, and foster greater public awareness of urgent global issues

Ford

- Supports **robust and inclusive civic organizations that bring diverse people together and give them a voice in the democratic process**, including by:
 - Increasing participation of marginalized communities at all levels of civic and political life
 - Increasing the effectiveness of civic organizations by strengthening their infrastructure and regulatory environment
 - Improving the transparency, accountability and inclusiveness of government institutions and processes

Aga Khan Foundation

- **Builds robust institutions** that experiment, adapt, and accommodate diversity to address a lack of technical knowledge, human resources, and financial means within civil society

Sources: Interviews with private foundations; Foundation Center's directory; foundation websites



Funders support a range of actors and functions that could potentially align with KIX and ASA (2/3)

Private foundations have a range of interest areas. While not comprehensive views of each foundation, a number of these interests are captured below:

Hewlett

- Makes grants to **help citizen groups get information about what their governments do**, helping them take action to improve the quality of schools, health clinics, and other services in their communities
- **Explores how citizen-led assessments feed into measurement of SDGs**, particularly for populations that are hard to capture
- **Works with local governments to use information to develop interventions** to address learning gaps (assessment-to-action)
- Funds UNICEF's Data Must Speak to learn if **social accountability interventions** work and how

Wellspring

- Focuses on **human rights and social justice** (sees education as an enabling right for all other rights – and acts as a normative funder)
- Focuses on advancing **evidence based policy and advocacy** as a means to strengthen political will to invest in education and citizen demand for public education (e.g., **accountability for the right to education, and increased inclusion and protection of vulnerable groups**)
- Works in **East Africa**

Sources: Interviews with private foundations; Foundation Center's directory; foundation websites
Notes: Wellspring is a donor advisor serving clients who are funders



Funders support a range of actors and functions that could potentially align with KIX and ASA (3/3)

Private foundations have a range of interest areas. While not comprehensive views of each foundation, a number of these interests are captured below:

Omidyar

- Geographic focus areas include: **South Asia** (India); **Sub-Saharan Africa** (South Africa); and **Latin America** (Brazil)
- Works at two levels: **K-12 and post-secondary / skilling**
- Within the two levels, it works on three key prongs:
 - **Innovative school models** (including low-cost private schools, and pedagogy in gov't school contexts showing outsized learning outcomes among low-middle income schools; not totally biased to non-state providers)
 - **Differentiated / personalized learning** (dispersion of competency and challenging for teacher to lead those classes, what role can tech play in differentiated learning; not just tech, but willing to look at edtech products / services)
 - **Connected skilling** (skilling connected to the market / employers and in a blended learning fashion; blending of physical and online learning)
- **Hosts the Transparency Accountability Initiative**, which brings together philanthropic foundations, official aid agencies, and civil society networks to promote innovation and learning on transparency and accountability across many fields of international development.

Sources: Interviews with private foundations; Foundation Center's directory; foundation websites



Foundations shared that, as measuring advocacy outcomes can require long time frames and be challenging to attribute, outputs may be used in their place

- Foundations shared that **measuring advocacy outcomes is challenging**. Even when policy change is monitored, it is difficult to attribute this
- **Outputs are often used to measure effectiveness**. These could include how many times someone talks about education and media hits, money to education, number of people galvanized
- In work that's more coalition oriented, surveys on performance may be used to understand the value of the connective tissue and capacity building work
- It is important to **consider upfront what success 'looks like,'** and work back from this to develop interim measurements
- **What is measured can affect the length of time needed to see results** – with outcomes typically taking longer. For example, it can take years to see behavior change

Sources: Interviews with private foundations



Foundations offered a number of suggestions for GPE to consider, given comparative advantage, as well as gaps and opportunities in the landscape

The PF constituency is interested to explore how foundations can play an expanded role in national advocacy that would lead to greater political will and more domestic financing

Foundations mentioned several options for how GPE could prioritize policy themes:

- Focus on equity and teaching and learning
- Determine what to fund based on real learning outcomes / evidence base
- Consider leveraging the 'rights' argument / moral case for education

They also offered suggestions for how GPE could address gaps and leverage opportunities in the landscape:

Develop best practice and ecosystem support

- Provide global ecosystem support that countries can learn from so that they are not 'reinventing the wheel' (e.g., teacher training, leadership dev)
- Build greater social accountability infrastructure
- Develop country-level case studies to illustrate best practice
- Consolidate what has been learned on accountability in education into a comprehensive review

Leverage network for collaboration and influence

- Leverage relationship with governments to strengthen their response to accountability issues and increase political will
- Create collaborative spaces for problem-solving
- Influence actors toward action by leveraging the platform to create solutions grounded in a realistic agenda (e.g., take into account political cycles and budgets and don't become preoccupied with a 'dream agenda')

Sources: Interviews with private foundations and GPE PF Constituency Emerging Guidance to GPE Principles of Engagement for Foundations/Philanthropic Entities (April 2017)

Foundations demonstrated interest in KIX and ASA; GPE's unique position presents an opportunity for them to support work beyond their remit

- The GPE Private Foundations constituency indicates interest in collaborating to strengthen sector planning to support system change together with GPE, with a focus on bringing foundation experience and networks to bear on local planning, innovation, and implementation, in line with sector priorities and the local sector improvement agenda.
- Many foundations focus on early stage innovations and have limited access to government actors
- GPE presents a complementary opportunity to plug into policy discussions and interface at a country-level
- Likewise, there is an opportunity for GPE to help scale up emerging innovations coming through foundation pipelines
- That said, despite precedent, some foundations can be hesitant to work with multilaterals and governments
- Foundations also mentioned that GPE's structure is complex and can be challenging for external parties to understand the process for involvement

Initial conversations with private foundations demonstrate interest in the ASA and KIX mechanisms, which can be explored in more detail – while being mindful of potential constraints to these partnerships

Sources: Interviews with private foundations and GPE PF Constituency Emerging Guidance to GPE Principles of Engagement for Foundations/Philanthropic Entities (April 2017)



Contents

1

How Foundations are funding global education

2

How Foundations and GPE might collaborate

3

Considerations for Foundation financing



The CSP outlines a number of guidelines that influence how foundations are able to finance within the KIX and ASA mechanisms

- For targeted contributions to KIX and ASA, **sovereign donors can only contribute up to the higher of either \$25 million or 25% of each sovereign donors' total contributions to GPE per financing period** (i.e. per standard contribution agreement period). There is no ceiling on targeted contributions to KIX and ASA for any other type of contributor, for example foundations or the private sector.
- Geographic targeting is also permitted to KIX and ASA, but only at the regional level and only if it does not alter agreed allocations to countries or themes. **Individual country targeting to KIX or ASA (or their themes) is not permitted.** Question 8 provides more information if a contributor wishes to combine geographic and thematic targeting.
- For KIX and ASA **targeted financing can be provided at the mechanism level – i.e. to KIX or ASA as a whole, or to individual themes within them.** The latter is thematic targeting within KIX and ASA. These themes will be agreed by the FRC in October 2017 and are expected to mirror the 10 themes for KIX already approved by the Strategy and Impact Committee (ECCE, Gender, Learning Assessment, Equity, Teaching and Learning, Refugee Education, Data, Domestic Resource Mobilization, Accountability and Systems Strengthening). **No targeted financing is permitted at the individual initiative level beneath each of these themes.**

Sources: Contributions and Safeguard Policy, March 2017



Historically, agreements with private foundations have allowed for financing at the activity level

Sample language from a previous MOU with CIFF illustrates a funding agreement written beneath the theme level, which would now not be possible within the CSP guidelines:

CIFF intends to make its remaining contribution installments to the GPE Fund over three years subject to the completion of an annual performance review. Such performance review will be carried out against the achievement by GPE of targets and milestones established for two performance indicators aligned to GPE2020.

A sampling of the indicative budget within the MOU also highlights spending by activity:

| Activity | Year 1 | Year 2 | Year 3 | Total |
|---|--------|--------|--------|-------|
| Activity 1: Knowledge mobilization and advocacy to influence policy | XXX | XXX | 0 | XXX |
| Activity 2: Collaboration with Global Fund and other organizations to address the needs of adolescent girls | XXX | XXX | 0 | XXX |
| Activity 3: Workshops and technical assistance through small grants to help countries produce costed plans | XXX | XXX | 0 | XXX |

Moving forward, the CSP guidelines will alter the way foundations have previously contributed to GPE and could affect their willingness to finance these mechanisms

Sources: Memorandum of Understanding between The Children's Investment Fund Foundation (UK) and The Global Partnership for Education Secretariat on Improving Outcomes for Adolescent Girls, December 21, 2016



It may be challenging for some foundations to contribute to the mechanism at the mechanism or theme level given their own legal and board requirements

Regulations in some countries constrain how funders can engage:

- Rules for philanthropy vary by country and dictate how foundations are able to distribute funding
- For example, Canada requires that Foundations ensure that all the activities performed by a Grantee are carried out in a way that is consistent with the Foundation's charitable object

Foundation Boards also govern how funding is dispersed and monitored:

- While Foundations generally have more independence than government donors in the selection process of what they fund, there can be strict budgetary requirements that govern how funding is disbursed
- In some cases, Foundations' internal policies require that funding be traceable at the activity level to ensure greater Foundation control over how their dollars are spent, as well as tighter measurement of impact (e.g., more direct attribution).

Sources: Interviews with private foundations



Next Steps on Market Analysis

1. Complete analysis of Private Foundations:

- Complete series of interviews with foundations
- Incorporate feedback from PF Constituency/IEFG meeting on 22nd September
- Update consolidated private foundation market analysis for October SIC meeting
- Ensure outputs and analysis are fed in to the Private Foundations Engagement Strategy for October SIC meeting

2. Bilateral and Private Sector donor market analysis to be presented at October SIC meeting



Annex



Private Foundations consulted thus far (in some cases for previously conducted private foundation mapping)

Aga Khan Foundation

Caterpillar Foundation

Chan Zuckerberg Initiative

Children's Investment Fund Foundation

Comic Relief

Dubai Cares

European Foundation Center

Firelight Foundation

Gates Foundation

Hewlett Foundation

Hilton Foundation

International Education Funders Group

MacArthur Foundation

Mastercard Foundation

Omidyar Foundation

Open Society Foundations

Pina Bausch Foundation

Porticus

United Nations Foundation

Wellspring Advisors

Scheduling for additional conversations pending for Children's Investment Fund Foundation, MacArthur Foundation, Porticus, Rockefeller Foundation. Outreach conducted to others.



Previously agreed financing from private foundations to GPE

| Name | Funding amount | Area of work |
|---------------------|---|--|
| CIFF | <ul style="list-style-type: none"> • \$22M | <ul style="list-style-type: none"> • Gender Equality Policy and Strategy |
| Comic Relief | <ul style="list-style-type: none"> • \$500K (via OSF) | <ul style="list-style-type: none"> • BELDS |
| Hilton | <ul style="list-style-type: none"> • \$500K (via OSF) | <ul style="list-style-type: none"> • BELDS |
| Dubai Cares | <ul style="list-style-type: none"> • \$1M | <ul style="list-style-type: none"> • BELDS • A4L |
| Open Society | <ul style="list-style-type: none"> • \$500K • Acts as pool funder for Comic Relief and Hilton | <ul style="list-style-type: none"> • BELDS |
| Porticus | <ul style="list-style-type: none"> • \$2.54M | <ul style="list-style-type: none"> • A4L |
| Rockefeller | <ul style="list-style-type: none"> • \$300K | <ul style="list-style-type: none"> • Exploration into Disaster Risk Finance |

Sources: GPE Engagement with Private Foundations, FY 2018 – NOTE: THIS IS NOT A PUBLIC DOCUMENT



Findings from Results for Development's (R4D) Center for Education Innovations Funders Directory

- R4D's Funders Directory offers comprehensive overviews of thematic, geographic, and other funding priorities as well as current and potential new areas of interest and opportunity
- This directory captures information on 33 private foundations, including 19 potential thematic areas of interest (as of August 2017)
- On the following slides, the thematic interest areas of each private foundation listed within the directory have been captured
- Several thematic areas did not apply to any foundations: CSR, mother-tongue instruction, transparency and accountability, community engagement
- Those foundations highlighted were included in the interview outreach for this project
- Source website: <http://www.educationinnovations.org/initiative/funders-directory>



| Foundation | Learning through play | Education technology | Girls' education | Low-cost private schools | Skills for work |
|--|-----------------------|----------------------|------------------|--------------------------|-----------------|
| King Baudouin Foundation US | | X | X | X | X |
| Calouste Gulbenkian Foundation | | X | | | X |
| Global Education Fund | | X | X | X | X |
| MasterCard Foundation | | X | X | X | X |
| David & Elaine Potter Foundation | | X | X | X | |
| Douglas B. Marshall, Jr. Family Foundation | | X | X | X | X |
| MacArthur Foundation | | X | X | X | X |
| UBS Optimus Foundation | | | X | X | |
| Aga Khan Development Network | | X | X | X | X |
| Macao Tong Chai Charity Foundation | | X | X | X | |
| PaperSeed Foundation | | | X | X | X |
| Firelight Foundation | | X | X | | X |
| Fondation Les Paquerettes | | X | X | X | |
| Global Fund for Children | | | X | | |
| Gray Matters Capital | | X | X | X | X |
| Human Dignity Foundation | | X | X | | X |
| Michael and Susan Dell Foundation | | X | | X | X |
| Empower (The Emerging Markets Foundation) | | | X | | X |
| Frankel Family Foundation | | | X | | X |
| IDP Foundation, Inc. | | | | X | |
| Planet Wheeler Foundation | | | X | | |
| Tinker Foundation | | | | | X |
| Waterloo Foundation | | | X | | |
| Central Square Foundation | | X | | X | |
| CIFF | | | | | |
| Indian School Finance Company | | X | | X | |
| The LEGO Foundation | X | | | | |
| Carmen Pampa Fund | | | | | X |
| Fundacion Exito | | | | | |
| Jacob and Hilda Blaustein Foundation | | | X | | |

| Foundation | Early childhood development | Curriculum reform / design | Education financing | Fragile and conflict-afflicted states | Inclusive education |
|--|-----------------------------|----------------------------|---------------------|---------------------------------------|---------------------|
| King Baudouin Foundation US | X | X | X | X | |
| Calouste Gulbenkian Foundation | X | X | X | | X |
| Global Education Fund | | X | X | | |
| MasterCard Foundation | | X | X | | |
| David & Elaine Potter Foundation | | X | X | X | X |
| Douglas B. Marshall, Jr. Family Foundation | X | | | | X |
| MacArthur Foundation | | | | X | |
| UBS Optimus Foundation | X | X | X | X | |
| Aga Khan Development Network | X | | | X | |
| Macao Tong Chai Charity Foundation | X | X | | | |
| PaperSeed Foundation | X | | | | |
| Firelight Foundation | X | | | | |
| Fondation Les Paquerettes | X | | | | |
| Global Fund for Children | X | X | X | X | X |
| Gray Matters Capital | | X | X | | |
| Human Dignity Foundation | | | | | |
| Michael and Susan Dell Foundation | | | | | |
| Empower (The Emerging Markets Foundation) | | X | | | |
| Frankel Family Foundation | | | | X | |
| IDP Foundation, Inc. | X | | | | |
| Planet Wheeler Foundation | | X | | | X |
| Tinker Foundation | | X | | | |
| Waterloo Foundation | | X | X | | |
| Central Square Foundation | | | | | |
| CIFF | X | | X | | |
| Indian School Finance Company | | | | | |
| The LEGO Foundation | X | | | | |
| Carmen Pampa Fund | | | | | |
| Fundacion Exito | X | | | | |
| Jacob and Hilda Blaustein Foundation | | | | | |

| Foundation | Out-of-school children | Public-private partnerships | Secondary education | Student assessment | Teacher training and evaluation |
|--|------------------------|-----------------------------|---------------------|--------------------|---------------------------------|
| King Baudouin Foundation US | X | X | X | X | X |
| Calouste Gulbenkian Foundation | X | X | X | X | X |
| Global Education Fund | X | X | X | X | X |
| MasterCard Foundation | X | X | X | | |
| David & Elaine Potter Foundation | X | | | | |
| Douglas B. Marshall, Jr. Family Foundation | X | X | | | X |
| MacArthur Foundation | X | X | X | | |
| UBS Optimus Foundation | X | | X | | |
| Aga Khan Development Network | | X | | | X |
| Macao Tong Chai Charity Foundation | | X | X | | |
| PaperSeed Foundation | X | X | X | | X |
| Firelight Foundation | X | | | X | X |
| Fondation Les Paquerettes | X | X | | | X |
| Global Fund for Children | | | | | |
| Gray Matters Capital | | | | | |
| Human Dignity Foundation | X | X | X | | |
| Michael and Susan Dell Foundation | X | X | | X | X |
| Empower (The Emerging Markets Foundation) | X | | X | | |
| Frankel Family Foundation | X | | X | | |
| IDP Foundation, Inc. | | X | X | | |
| Planet Wheeler Foundation | | | X | | X |
| Tinker Foundation | X | | X | | X |
| Waterloo Foundation | | X | | | X |
| Central Square Foundation | | X | | | X |
| CIFF | | | | X | |
| Indian School Finance Company | | | X | | |
| The LEGO Foundation | | | | | |
| Carmen Pampa Fund | | | | | |
| Fundacion Exito | | | | | |
| Jacob and Hilda Blaustein Foundation | | | | | |